aisle for the bipartisan nature of this amendment, which is similar to H.R. 3837, the bill of which I was a proud cosponsor.

Many of my constituents have had problems with their mortgage servicers. This amendment makes sure that servicers provide faster responses to consumer inquiries and provides increased penalties for abusive servicing practices.

Escrows help homeowners pay their property taxes on time, but many homeowners are unaware of the total cost of the loan because the exact amount of taxes and insurance isn't disclosed at the time of closing. This amendment would make sure that homeowners are informed of the actual amount of the loan, including the escrow payments.

And also, lastly, faulty appraisals have been a huge problem and can have a devastating impact on a family's single largest investment, their home. If the initial appraisal is inaccurate, reselling the home for what the family paid can be nearly impossible.

The amendment creates a Federal independent standard for appraisals enforced by tough penalties.

I urge my colleagues to support the amendment.

Mrs. BIGGERT. Mr. Chairman, I reserve the balance of my time.

Mr. KANJORSKI. Mr. Chairman, I yield 1 minute to the gentlelady from Wisconsin (Ms. MOORE).

Ms. MOORE of Wisconsin. Mr. Chairman, I'll be brief.

I hope that with Mr. FRANK's bill, we can see that these exotic products have created a crisis in the mortgage industry. But as Attorney General Cuomo from New York said, any real estate scam, at the very base and root of it, is a faulty and a bad appraisal.

This is a very commonsense regulation, and I congratulate Mr. KANJORSKI and my other co-authors for bringing this forward.

This amendment is about putting the interests of homebuyers first.

Buying a home is daunting enough without having to worry that the people that supposedly work for you aren't on your side.

The safeguards in this amendment—the independence standards for appraisers and provisions that strengthen Federal oversight of the appraisal process will assure homebuyers that the home they are purchasing hasn't been inflated in "perceived" value by an unscrupulous appraiser.

A bad appraisal can also make it impossible for a subprime borrower to refinance—what happens when they try to get into a prime loan and a responsible bank wants a responsible appraisal done? That's when the other shoe drops and the homeowner finds out they've been duped.

These safeguards would protect consumers, but would also benefit the secondary market and our economy.

When a mortgage is sold on the secondary market, investors need to know that the securities they hold are backed up by a home that has been appraised accurately.

Further, the amendment's requirements that subprime and other at-risk borrowers receive an escrow account will protect those borrowers from huge end-of-the-year tax bills and will reduce foreclosures.

I urge my colleagues to support the Kanjorski-Biggert-Capito-Hodes-Moore amendment.

Mrs. BIGGERT. Mr. Chairman, I yield the remainder of my time to the gentleman from Alabama, the ranking member, Mr. BACHUS.

Mr. BACHUS. Mr. Chairman, I rise in strong support of this bipartisan amendment offered by the gentleman from Pennsylvania (Mr. KANJORSKI). The amendment, among other things, enhances the integrity of the appraisal process, and requires the taxes and insurance on subprime mortgages be escrowed. These are two glaring problems in today's subprime market, and I think both these requirements will go a long way towards making these loans sounder and reducing the number of foreclosures and delinquencies.

These issues are ones that the gentleman from Pennsylvania has worked on for many years. He deserves credit for an amendment that will improve many key aspects of the mortgage origination, servicing, and appraisal process; and I compliment him.

Chairman KANJORSKI worked closely with my colleagues, Ranking Members JUDY BIGGERT and SHELLEY MOORE CAPITO, in crafting the amendment. And the three of them actually offered the amendment that addresses legitimate administrative and operational concerns that have been raised, not only by consumer groups, but by the industry itself. And the mortgage appraisers, or the Appraisers Institute, actually endorsed this measure. And it maintains the underlying bill's strong consumer protection.

□ 1330

And this amendment offers additional strong protections.

I commend all three of our colleagues for their efforts and urge support for the amendment.

Mr. Chairman, I yield back the balance of my time.

Mr. KANJORSKI. I thank the ranking member and the ranking lady of the subcommittee. What a pleasure it was to work on this.

I want to say to all my colleagues that may be listening to our discussion today, this is a perfect example of how this House can find bipartisan support for a very complicated issue.

This amendment sounds like an amendment, but it's a 44-page bill standing on its own, which we are hoping to attach to Mr. FRANK's bill so that we solve all of the major problems remaining that can be solved today and then move on to mitigation of loss in the future.

I urge all of my colleagues to support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. KANJORSKI).

The amendment was agreed to.

Mr. FRANK of Massachusetts. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker pro tempore (Ms. KAPTUR) having assumed the chair, Mr. CARDOZA, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H.R. 3915) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to establish licensing and registration requirements for residential mortgage originators, to provide certain minimum standards for consumer mortgage loans, and for other purposes, had come to no resolution thereon.

PERMISSION TO OFFER AMENDMENT NO. 16 OUT OF SEQUENCE DURING FURTHER CONSIDERATION OF H.R. 3915

Mr. FRANK of Massachusetts. Madam Speaker, I ask unanimous consent that during further consideration of H.R. 3915 in the Committee of the Whole pursuant to House Resolution 825, amendment No. 16 may be considered out of sequence.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

MORTGAGE REFORM AND ANTI-PREDATORY LENDING ACT OF 2007

The SPEAKER pro tempore. Pursuant to House Resolution 825 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3915.

□ 1332

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3915) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to establish licensing and registration requirements for residential mortgage originators, to provide certain minimum standards for consumer mortgage loans, and for other purposes, with Mr. CARDOZA in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose earlier today, amendment No. 2 by the gentleman from Pennsylvania (Mr. KANJORSKI) had been disposed of.

AMENDMENT NO. 3 OFFERED BY MRS. MALONEY OF NEW YORK

The CHAIRMAN. It is now in order to consider amendment No. 3 printed in House Report 110–450.

Mrs. MALONEY of New York. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 3 offered by Mrs. MALONEY of New York:

Page 66, after line 3, insert the following new paragraph (and redesignate the subsequent paragraph accordingly):

''(2) PHASED-OUT PENALTIES ON QUALIFIED MORTGAGES.—A qualified mortgage (as defined in subsection (c)) may not contain terms under which a consumer must pay a prepayment penalty for paying all or part of the principal after the loan is consummated in excess of the following limitations:

''(A) During the 1-year period beginning on the date the loan is consummated, the prepayment penalty shall not exceed an amount equal to 3 percent of the outstanding balance on the loan.

''(B) During the 1-year period beginning after the period described in subparagraph (A), the prepayment penalty shall not exceed an amount equal to 2 percent of the outstanding balance on the loan.

''(C) During the 1-year period beginning after the 1-year period described in subparagraph (B), the prepayment penalty shall not exceed an amount equal to 1 percent of the outstanding balance on the loan.

''(D) After the end of the 3-year period beginning on the date the loan is consummated, no prepayment penalty may be imposed on a qualified mortgage.''.

Page 66, after line 11, insert the following new paragraph:

''(4) OPTION FOR NO PREPAYMENT PENALTY REQUIRED.—A creditor may not offer a consumer a residential mortgage loan product that has a prepayment penalty for paying all or part of the principal after the loan is consummated as a term of the loan without offering the consumer a residential mortgage loan product that does not have a prepayment penalty as a term of the loan.''.

The CHAIRMAN. Pursuant to House Resolution 825, the gentlewoman from New York (Mrs. MALONEY) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentlewoman from New York.

Mrs. MALONEY of New York. Mr. Chairman, I yield myself 3 minutes.

This amendment, which I am offering with my good friend and colleague from New Jersey, ALBIO SIRES, addresses prepayment penalties and prime loans. This is a well-balanced amendment that has gained the support both of consumer groups and industry.

Prepayment penalties are designed to deter borrowers from refinancing, or just paying off their loans. This seems unfair; why should anyone be penalized for paying off their loans? Why should borrowers not be able to take advantage of a better offer if it becomes available? Isn't that how the free market system is supposed to work?

The underlying bill prohibits prepayment penalties on subprime loans and requires that prepayment penalties on prime loans expire 3 months before a loan resets. But I think we need to offer all borrowers, including prime borrowers, an alternative to loans with prepayment penalties. At the most, prepayment penalties should last 3 years, the time needed for lenders to recover their investment.

Mortgage lenders argue that prepayment penalties enable them to offer loans at lower interest rates because they are assured of income for a period of time. Our amendment just requires them to offer prime borrowers an informed choice. If a lender offers a borrower a loan with a prepayment penalty, they also have to offer that borrower a loan with no prepayment penalty.

Also, our amendment would limit the period of prepayment penalties to 3 years and limit the amount of the penalty to 3 percent of the outstanding balance in the first year, 2 percent in the second, and 1 percent in the third. This standard has already been adopted in many States and is often referred to as the ''California standard.'' It represents what reputable lenders consider best practices. Prepayment penalties beyond 3 years are simply unjustified by any market need.

This is a balanced amendment that gives lenders adequate security and the option to offer prime loans with prepayment penalties, but also gives prime borrowers a choice to avoid prepayment penalties if they so wish. It is a sensible and necessary step to improved disclosure and improved choice.

I urge my colleagues to support it.

Madam Chairman, I reserve the balance of my time.

Mr. FEENEY. Madam Chairman, I claim the time in opposition.

The Acting CHAIRMAN (Ms. KAPTUR). The gentleman from Florida is recognized for 5 minutes.

Mr. FEENEY. I appreciate the gentlelady's amendment. And I suppose I can't argue that it does a great deal of harm under the bill, because what the bill essentially does is it takes millions of potential homebuyers and makes them ineligible, as a practical matter, for loans. And so all we're doing is taking those million people that can't get loans and saying one more type of loan they can't get is a loan with a prepayment penalty that lasts longer than 3 years built in.

Having said that, assuming some potential homebuyers escape the penalties under this bill and they actually do qualify to get a loan that puts them in a house that they like and that's affordable, what the gentlelady's amendment does is to make the marginal interest rate they may have to pay higher.

As the gentlelady said, lenders have demonstrated, I think conclusively, that there are lower interest rates available at times if you have a prepayment penalty built in because they know that that loan is going to be out there for 15, 20 or 30 years putting a stream of money into the pocket of the lender. That's why they do the more attractive long-term interest rate.

Now, I happen to not like prepayment penalties. Most Americans move a lot. But there are Americans, for example, on a fixed income that are retired and have a pension and they know they're going to be in a house for a long period of time and they don't mind a prepayment penalty.

What the gentlelady does is to take choices away from homeowners. By the way, I agree with the notion that we ought to have informed consent. There is nobody here arguing that we shouldn't inform consumers what the prepayment penalty is, what the consequences can be. What we are suggesting is that when you limit for 3 years the amount of the prepayment penalty, there are some homebuyers that otherwise would be able to get an attractive interest rate, buy the home of their dreams, stay in that home for 15 or 20 years and never pay the penalty that will never, ever get to move into that home because the gentlelady thought, in general, prepayment penalties are a bad idea for everybody. They are a bad idea for some people. If you move a lot, if you're going to have your circumstances changed, they can be a very bad idea. I negotiated a slightly higher interest rate because I do not have a prepayment penalty on my mortgage, but I think that individual free men and women, after they are informed, ought to be making these choices and not the Congress of the United States.

Again, I don't think this is a horrendous amendment because what the bill does is to say to millions of potential borrowers, as a practical matter, they will be ineligible going forward to get access to credit. But this makes a really bad bill marginally worse.

With that, Mr. Chairman, I yield back the balance of my time.

Mrs. MALONEY of New York. Mr. Chairman, I yield the remainder of my time to my colleague who has personal experience with prepayment penalty abuses.

The CHAIRMAN. The gentleman from New Jersey is recognized for 2½ minutes.

Mr. SIRES. I rise in support of this amendment. And this amendment, all it affords is a choice.

I want to thank Congresswoman MALONEY for her hard work and leadership on this issue, and I appreciate some of the concerns that I had on this amendment.

Let me just share a personal story. Before coming to Congress, I was part owner of a title insurance agency, and I have taken out a couple of mortgages in my time. It is fair to say that I had more knowledge about mortgages than the average consumer, and certainly more than a first-time home buyer. Yet, when I sold my home, I sold my home for the reason to come to Congress, I was shocked to learn that I owed $7,500 as a prepayment penalty. The circumstances that I sold the home were the fact that I was elected to Congress, that I had to disassociate myself with the property. If I was surprised by this penalty, imagine how surprised someone with less experience and knowledge would be. That is why I strongly support this amendment. It presents the consumer with the necessary information so they can make an appropriate choice for their family.

The amendment also recognizes that the market should have the flexibility to offer prepayment penalties, and that the secondary market must have confidence that the mortgages they buy and sell are more secure.

Our amendment does not prohibit prepayment penalties on prime mortgages, nor does it cap the penalties at unreasonable levels. The penalties allowed by this amendment conform to industry best practices.

And I said it before, I strongly support this amendment. It is friendly to consumers and business. It would only serve to improve all mortgage transactions, which will ensure that the mortgage market has some stability.

I encourage all my colleagues to support this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York (Mrs. MALONEY).

The amendment was agreed to.

AMENDMENT NO. 4 OFFERED BY MR. WATT

The CHAIRMAN. It is now in order to consider amendment No. 4 printed in House Report 110–450.

Mr. WATT. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. WATT:

Page 46, line 7, insert ''the greater of actual damages or'' after ''shall not exceed''.

The CHAIRMAN. Pursuant to House Resolution 825, the gentleman from North Carolina (Mr. WATT) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from North Carolina.

Mr. WATT. Mr. Chairman, I yield myself such time as I may consume.

The bill, as currently constructed, caps damages at the amount of three times the broker or lender fees for steering. It's crucial to increase the remedies for steering so that a limited remedy does not simply get figured into the cost of doing business. A more effective way of changing broker behavior would be to provide a remedy that provides for the greater of actual damages, or three times the broker or lender fees, because it is unlikely that we will incentivize people not to steer unless we make the penalties sufficiently onerous.

We want to eliminate the possibility that a lender will simply treat the remedy in the bill as a cost of doing business, and we believe that making the damages alternatively three times the broker's fees or actual damages will have more impact on reducing this bad kind of conduct. That's what the amendment does.

Mr. Chairman, I reserve the balance of my time.

□ 1345

Mr. BACHUS. Mr. Chairman, I am opposed to the amendment and claim time in opposition.

The CHAIRMAN. The gentleman from Alabama is recognized for 5 minutes.

Mr. BACHUS. Mr. Chairman, in my opening statement I talked about the fact that we had had negotiations over the past 2 years trying to really gain a balance in this legislation between lender and borrower to ensure that credit is still available to borrowers, to ensure that there was proper incentive for lenders to make loans which did not violate this act. And I believe, in fact, we have done that. It's a careful balance. And I must say that I think the sense of proportionality in the amount of damages to be awarded that we have it right. But I believe this amendment would increase potential damages and is not warranted.

We are not trying to create a right of actions in this lawsuit. We are trying to discourage lenders from making predatory loans. And if they do make predatory loans, then our function here is for them to pay reasonable compensation and also to cure that loan or to make things right. And I believe that the underlying bill, not this amendment, strikes the right balance between consumers and originators.

I also believe that this amendment might unknowingly remove the incentive for an originator to originate a loan. As some of my colleagues on this side have cautioned, they believe the bill already does that. And I believe this would just be additional evidence to those who are already opposed to the bill that we have the right set of incentives and rights and liabilities under the bill.

At this time I would like to yield 1 minute to the gentleman from Colorado (Mr. PERLMUTTER).

Mr. PERLMUTTER. Mr. Chairman, I support this bill, and I appreciate the work that my friend Mr. WATT has performed. But with respect to this amendment, I have to oppose this amendment.

One of the things that Mrs. BIGGERT talked about was five principles that she saw in this bill. There is also a sixth principle of real estate and financing, and that is certainty. And what I fear is by making this the greater of actual damages or triple damages, triple being the amount of money that the mortgage originator made, at least he can figure out what that is. Actual damages really does just set the prelude for a lawsuit or a major controversy.

So I support this bill. I don't support the amendment. And I am going to urge a ''no'' vote on the amendment.

Mr. BACHUS. Mr. Chairman, at this time I would like to yield such time as he may consume to the gentleman from Texas (Mr. HENSARLING).

Mr. HENSARLING. I thank the gentleman for yielding.

Mr. Chairman, I continue to be concerned about the increased liability exposure that is being introduced into the market creating even greater uncertainty at a time that many of us believe that we need even more liquidity in the market as we're looking at facing all of these subprime adjustable resets.

So, again, I find it somewhat odd that when we look at the Federal Reserve that appears to be pushing on the accelerator, this committee wants to push further on the brake.

And anytime you add increased liability upon a standard that many of us believe to be highly subjective, dealing with such terms as ''appropriate,'' ''net tangible benefit,'' ''predatory characteristics,'' you are going to chase more people out of the marketplace. Fewer people are going to want to originate these mortgages. You are deciding de facto with this amendment that there is some portion of Americans who are going to be denied their homeownership opportunities. Now, I can't tell you what their names are. I don't know exactly who they are. But there are just millions and millions of Americans who are just barely going to qualify to be able to get into their own home or keep their own home. And I hear from them every single day.

I've heard from the Kirkland family in Athens, Texas, in the Fifth Congressional District that I have the honor of representing. They wrote to me: ''Dear Congressman, I think Congress should not ban subprime loans. I think it lets people buy a home, improve their life, and own a piece of the dream.''

Now, this bill doesn't outlaw all subprime loans. The amendment doesn't outlaw all subprime loans. But there is a universe of subprime loans that de facto are going to be outlawed by the increased liability exposure in this amendment, and people like the Kirkland family will no longer own their home, and that is wrong.

Mr. WATT. Mr. Chairman, I yield 1 minute to the gentleman from North Carolina (Mr. MILLER).

Mr. MILLER of North Carolina. Mr. Chairman, I have said before that the remedies under this bill are very modest. They are so modest, in fact, that a great many consumers who have actually been harmed, who have clearly been wronged, who have clearly entered into a mortgage that violated the law are not going to have much they can do about it.

The other side calls this bill a trial lawyer bonanza, Mr. Chairman. Not many people are going to even find a lawyer who can bring a claim like this.

This takes very modest remedies and improves them only slightly. It's not going to provide for punitive damages or pain and suffering. It's just their out-of-pocket loss if they entered into a mortgage that violated the law. Again, the remedies are very modest. This makes them only slightly less modest.

Mr. WATT. Mr. Chairman, I yield myself the balance of my time.

I have listened to and acknowledged the concerns that are raised by the other side and by Mr. PERLMUTTER from our side about this provision.

It is clear that certainty has value. But certainty when certainty is unfair and when you are trying to discourage a particular act such as steering a borrower to a higher priced loan, if you don't put in the bill the ability of people to get the actual damages that they incur as a result of being steered to a higher priced loan, then you are not going to deter the activity. Many unsavory people will treat this just as a cost of doing business because the reward for steering is so high that they can incur that risk for nine transactions and get rewarded and pay the cost of the risk on the one transaction that they might get caught on.

So if you really want to deter people from steering to the highest cost loan, you've got to provide an effective remedy that deters them from doing that. That's all I am trying to do. If people don't engage in this activity, there are no remedies. We don't even need any remedies. But where they engage in an activity that we have acknowledged under the bill is an undesirable activity, we have outlawed it. We have said thou shalt not steer to a higher cost loan. If you don't provide a remedy that is commensurate with that, then what you are saying to the market is you don't really care.

So I think this amendment is good, and I encourage my colleagues to support it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. WATT).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. BACHUS. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from North Carolina will be postponed.

AMENDMENT NO. 16 OFFERED BY MR. PRICE OF GEORGIA

The CHAIRMAN. It is now in order to consider amendment No. 16 printed in House Report 110–450.

Mr. PRICE of Georgia. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 16 offered by Mr. PRICE of Georgia:

Page 36, line 25, insert ''or a qualified mortgage (as defined in section 129B(c)(3)(B))'' before the period at the end.

The CHAIRMAN. Pursuant to House Resolution 825, the gentleman from Georgia (Mr. PRICE) and a Member opposed each will control 5 minutes.

The Chair recognizes the gentleman from Georgia.

Mr. PRICE of Georgia. Mr. Chairman, I want to draw my colleagues' attention to what it is we are doing here today and what they think we might be doing. I would suggest, Mr. Chairman, today we are considering legislation that will change the way the mortgage industry is regulated in its entirety. Not just for the subprime market, in its entirety.

I and others are fond of saying that Congress does two things very well: one is nothing and two is overreact. And here today we are considering what the Wall Street Journal has dubbed the Sarbanes-Oxley for the housing industry. As you will recall, Mr. Chairman, there is general consensus that the Sarbanes-Oxley legislation that was passed was indeed an overreaction and resulted in damage to the business arena and also decreased jobs across our Nation.

What the Wall Street Journal has said about this bill is that it's ''an attempt to punish business in general for the excesses of an unscrupulous few and the perverse incentives created by Washington policy.'' Hence Sarbanes-Oxley for the housing industry.

Now, we have had a period here where some credit, some loans were unwisely given and that allowing individuals, allowing Americans to purchase homes and to realize their American Dream is a good thing.

For this reason I am offering an amendment that would limit this legislation to the area of lending that is of most concern today, that is, the subprime arena. Again, this bill regulates more than just the subprime market. Despite the fact that at our hearing in our committee on the legislative proposals, and we had an array of witnesses from all across the market and all across the political spectrum, during 9 hours of hearings, not a single individual, not one, advocated that we change the way that all mortgages are regulated. But that's what we are doing here with this bill today.

What we heard from those testifying was that they agreed that the subprime market might be underregulated, but not the prime market, not the jumbo market, not the other markets. What they said was that something needed to be done with the subprime market. Now, why are we here today? Well, there must be something else going on.

Later in that hearing, Chairman FRANK asked the third panel, comprised of representatives of various segments of the industry, a similar question: Do you think that all of the loans that were made over the last couple of years in the subprime area should have been made? And the panel's answer was clear: no, not all loans.

It's worth noting that Mr. Lackritz, the president and CEO of the Securities Industry and Financial Markets Association, appropriately pointed out to the chairman that there was obviously credit that was imprudently granted, but that we have to also think at the same time that it's important that we take a lot of pride in what this committee has done and in what the industry has done to broaden the circle of homeownership. Don't ban that, he said. Don't ban that. Yet that's exactly what will happen if this legislation passes.

Mr. Dugan, from the Office of the Comptroller of the Currency, testified that as a result of this legislation ''some creditworthy borrowers would be denied loans.''

For that reason, I believe it is important that we focus and take a measured approach. Adopt this amendment and we will confine the bill to the area that everyone says needs some assistance, where everyone says there is a problem: the subprime arena.

Mr. Chairman, there are 44 million mortgages out there across our Nation. Fourteen percent of them are in the subprime arena. Fifteen percent of those are challenged. That is a challenge for those individuals who are having that difficulty right now, but that doesn't call for entire re-regulation of the overall market. In the prime area, 3 percent of those loans are challenged. All loans, all loans, including prime loans, would be subject to the murky new requirements of this legislation which would require lenders to determine if borrowers have ''a reasonable ability to pay'' or a ''net tangible benefit'' from the refinancing of their loan. There is no reason to restrict the availability and the affordability of prime loans to eligible borrowers, especially when we have demonstrated how well these loans are operating even in today's market.

For that reason, I urge the adoption of the amendment. Let's not subject prime loans that are operating well today to the same burdensome regulation that is proposed for subprime loans.

Mr. Chairman, I yield back the balance of my time.

□ 1400

Mr. SCOTT of Georgia. I rise to oppose the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. SCOTT of Georgia. Mr. Chairman, the Price amendment attempts to exempt prime loans from the requirement of the bill. The Price amendment takes out prime loans from the definition of residential mortgage loans. Now, Mr. Chairman, this is one of the most significant financial crises that has impacted every sphere of our economy. While, yes, subprime issues may be at the eye of the storm, these winds are howling and they are blowing fierce and hard throughout every length and breadth of this country. More than three-fourths of Americans with mortgages have prime loans. The Price amendment will do one essential thing. It will deprive the vast majority of Americans, 78 percent of Americans will be deprived by his amendment of the many important critical protections in this bill.

Mr. Chairman, all Americans need consumer protections against risky loans. This crisis has weakened the entire American economy. Look at

Citigroup. Look at Countrywide. Major Fortune 200, 500 corporations have suffered tremendously. That has a ripple effect and has made millions of middle- and upper-income American families, as well as the lower-income families less secure. All Americans deserve to have the protections to stop bad loans from being made in the first place.

We need to make sure that both prime and subprime consumers get mortgages that they can repay. We need to make sure that prime and subprime mortgageholders are strengthened by consumer protections against reckless, abusive lending practices for both prime and subprime, and we need to make sure that both prime and subprime borrowers are not steered into more expensive mortgages. For example, Mr. Chairman, for prime borrowers, the Price amendment removes the important requirement in this bill that mortgage originators comply with what is known as ''Federal duty of care.'' By that we mean what we have under this bill, where mortgage originators have to offer prime borrowers full disclosures that are mandated by the bill. This bill ensures that all borrowers can make informed decisions when taking out loans. All borrowers deserve that, both prime and subprime.

Also under our bill, mortgage originators must present all borrowers, including prime borrowers, with the range of loan products that the borrowers can repay or that provide them with a net tangible benefit. The question was raised, what is net tangible benefit? It is making sure that the loan doesn't leave you in a worse-off position, for example, such as when you refinance, where your cash-out is less than the fees that you are paying.

The Price amendment also would take away this important protection from our borrowers. It removes the protection of prime borrowers against steering. This is critically important, as the gentleman from North Carolina that preceded me talked about. This carefully crafted bill requires strong rules against talking borrowers into more expensive loans that they cannot afford.

Mr. Chairman, both subprime and prime borrowers deserve that. These 78 percent of homeowners, borrowers would not have that kind of protection if we adopt the Price amendment. We need to protect our borrowers, both prime and sub, from having borrowers being talked into loans that have predatory characteristics like equity stripping, they do that for prime as well as subprime, excessive fees that leave them in a worse position than they were before.

The Price amendment would take away the important consumer protection that protects a consumer from loans they cannot repay, does not provide the tangible benefit, and then, Mr. Chairman, one important measure that treats borrowers differently based on race. At the bottom of this is this tug of war in this whole fight because this is targeted. There are many African Americans who are target or are prime, but they are targeted to move into subprime.

This issue bleeds all across the horizon, Mr. Chairman. This amendment that Mr. PRICE is offering severely weakens and guts this measure and deprives all Americans from having the equality of protection under the law. It must be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. PRICE).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. PRICE of Georgia. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, further proceedings on the amendment offered by the gentleman from Georgia will be postponed.

ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN. Pursuant to clause 6 of rule XVIII, proceedings will now resume on those amendments printed in House Report 110–450 on which further proceedings were postponed, in the following order:

Amendment No. 4 by Mr. WATT of North Carolina.

Amendment No. 16 by Mr. PRICE of Georgia.

The first electronic vote will be conducted as a 15-minute vote. The second electronic vote will be conducted as a 5-minute vote.

AMENDMENT NO. 4 OFFERED BY MR. WATT

The CHAIRMAN. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from North Carolina (Mr. WATT) on which further proceedings were postponed and on which the ayes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 169, noes 250, not voting 18, as follows:

[Roll No. 1112]

AYES—169

Abercrombie
Ackerman
Allen
Andrews
Arcuri
Baca
Baird
Baldwin
Barrow
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Bordallo
Boswell
Brady (PA)
Braley (IA)
Brown, Corrine
Butterfield
Capps
Carnahan
Castor
Chandler
Christensen
Clarke
Clay
Cleaver
Clyburn
Conyers
Costello
Courtney
Cummings
Davis (IL)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Duncan
Edwards
Ellison
Emanuel
Engel
Eshoo
Etheridge
Faleomavaega
Fattah
Filner
Frank (MA)
Giffords
Gillibrand
Gonzalez
Green, Al
Green, Gene
Grijalva
Gutierrez
Hall (NY)
Hare
Hastings (FL)
Higgins
Hinchey
Hirono
Hodes
Holden
Holt
Honda
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (GA)
Johnson, E. B.
Jones (OH)
Kagen
Kaptur
Kennedy
Kildee
Langevin
Lantos
Larson (CT)
Lee
Levin
Lewis (GA)
Lipinski
Loebsack
Lofgren, Zoe
Lowey
Lynch
Markey
Marshall
McCarthy (NY)
McCollum (MN)
McDermott
McGovern
McNerney
McNulty
Meek (FL)
Meeks (NY)
Michaud
Miller (NC)
Miller, George
Mitchell
Moore (WI)
Murphy, Patrick
Nadler
Napolitano
Neal (MA)
Norton
Obey
Olver
Ortiz
Pallone
Pascrell
Pastor
Payne
Pomeroy
Price (NC)
Rangel
Reyes
Richardson
Rodriguez
Rothman
Roybal-Allard
Rush
Ryan (OH)
Sánchez, Linda T.
Sanchez, Loretta
Sarbanes
Schakowsky
Schwartz
Scott (GA)
Scott (VA)
Serrano
Shea-Porter
Sires
Skelton
Slaughter
Solis
Space
Stark
Stupak
Sutton
Thompson (MS)
Tierney
Towns
Tsongas
Udall (NM)
Van Hollen
Velázquez
Visclosky
Walz (MN)
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Welch (VT)
Wexler
Woolsey
Wu
Wynn
Yarmuth

NOES—250

Aderholt
Akin
Alexander
Altmire
Bachmann
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bean
Biggert
Bilbray
Bilirakis
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehner
Bonner
Boozman
Boren
Boucher
Boustany
Boyd (FL)
Boyda (KS)
Brady (TX)
Broun (GA)
Brown (SC)
Brown-Waite, Ginny
Buchanan
Burgess
Burton (IN)
Buyer
Calvert
Camp (MI)
Campbell (CA)
Cannon
Cantor
Capito
Cardoza
Carney
Carter
Castle
Chabot
Coble
Cohen
Cole (OK)
Conaway
Cooper
Costa
Cramer
Crenshaw
Crowley
Cuellar
Culberson
Davis (AL)
Davis (CA)
Davis (KY)
Davis, David
Davis, Lincoln
Davis, Tom
Deal (GA)
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Donnelly
Doolittle
Drake
Dreier
Ehlers
Ellsworth
Emerson
English (PA)
Everett
Fallin
Farr
Feeney
Ferguson
Flake
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gilchrest
Gingrey
Gohmert
Goode
Goodlatte
Gordon
Granger
Graves
Hall (TX)
Harman
Hastert
Hastings (WA)
Hayes
Heller
Hensarling
Herger
Herseth Sandlin
Hill
Hobson
Hoekstra
Hooley
Hulshof
Hunter
Inglis (SC)
Issa
Johnson (IL)
Johnson, Sam
Jones (NC)
Jordan
Kanjorski
Keller
Kind
King (IA)
King (NY)
Kingston
Kirk
Klein (FL)
Kline (MN)
Knollenberg
Kuhl (NY)
LaHood
Lamborn
Lampson
Larsen (WA)
Latham
LaTourette
Lewis (CA)
Lewis (KY)
LoBiondo
Lucas
Lungren, Daniel E.
Mahoney (FL)
Maloney (NY)
Manzullo
Marchant
Matheson
Matsui
McCarthy (CA)
McCaul (TX)
McCotter
McCrery
McHenry
McHugh
McIntyre
McKeon
McMorris Rodgers
Melancon
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Mollohan
Moore (KS)
Moran (KS)
Murphy (CT)
Murphy, Tim
Murtha
Musgrave
Myrick
Neugebauer
Nunes
Pearce
Pence
Perlmutter
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe

Porter	Schmidt	Terry
Price (GA)	Sensenbrenner	Thompson (CA)
Pryce (OH)	Sessions	Thornberry
Putnam	Sestak	Tiahrt
Radanovich	Shadegg	Tiberi
Rahall	Shays	Turner
Ramstad	Sherman	Udall (CO)
Regula	Shimkus	Upton
Rehberg	Shuler	Walberg
Reichert	Shuster	Walden (OR)
Renzi	Simpson	Walsh (NY)
Reynolds	Smith (NE)	Wamp
Rogers (AL)	Smith (NJ)	Weldon (FL)
Rogers (KY)	Smith (TX)	Westmoreland
Rogers (MI)	Smith (WA)	Whitfield
Rohrabacher	Snyder	Wicker
Ros-Lehtinen	Souder	Wilson (NM)
Roskam	Spratt	Wilson (OH)
Ross	Stearns	Wilson (SC)
Royce	Sullivan	Wolf
Ryan (WI)	Tancredo	Young (AK)
Salazar	Tanner	Young (FL)
Sali	Tauscher	
Schiff	Taylor	

NOT VOTING—18

Bono	Hinojosa	Moran (VA)
Capuano	Jindal	Oberstar
Carson	Kilpatrick	Paul
Cubin	Kucinich	Ruppersberger
Doyle	Linder	Saxton
Fortuño	Mack	Weller

□ 1431

Messrs. KELLER of Florida, SHULER, ROGERS of Alabama, DAVIS of Alabama, FARR, CARNEY, McINTYRE, COHEN, SPRATT, RAHALL and Mrs. BOYDA of Kansas changed their vote from ''aye'' to ''no.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. FRANK OF Massachusetts. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly, the Committee rose; and the Speaker having assumed the chair, Mr. CARDOZA, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3915) to amend the Truth in Lending Act to reform consumer mortgage practices and provide accountability for such practices, to establish licensing and registration requirements for residential mortgage originators, to provide certain minimum standards for consumer mortgage loans, and for other purposes, had come to no resolution thereon.

FAREWELL REMARKS OF THE HONORABLE DENNIS J. HASTERT, MEMBER OF CONGRESS

The SPEAKER. The Chair recognizes the distinguished Speaker of the House, DENNIS HASTERT of Illinois.

Mr. HASTERT. Madam Speaker, as Members of Congress, we are not here just to vote, but to speak; to give voice on this floor to the aspirations of our constituents, so this place where we speak, the Well of the House, is very special to me.

When I was a freshman Congressman in 1987, I delivered my first remarks from this podium. Twelve years later, on January 6, 1999, when I was first sworn in as Speaker, I made my acceptance speech from here as well. I explained at the time that I was breaking the tradition of the Speaker by making my acceptance remarks not from the Speaker's chair, because my legislative home is here on the floor, with you, and so is my heart.

Well, my heart is still here, and always will be. But the Bible reminds us in the book of Ecclesiastes, ''To everything there is a season; a time for every purpose under heaven.'' I think that pretty much sums up our existence in this place.

So now, after 21 years serving the people of Illinois in this House, the time has come for me to make my last speech from this podium. Our Founding Fathers envisioned a citizen legislature, and it is time for this legislator to return to being a private citizen.

Madam Speaker, when I was reelected as Speaker of this House in January of 2003, I was able to congratulate you on being the first woman to be nominated as Speaker. Just four short years later, you surpassed that achievement and became the first woman elected as Speaker. And I have to admit that as we went into that 2006 election, I was hoping that you would put off that achievement just a little bit longer. I think all of us in this House, regardless of party or our affiliation, were proud to be serving when that glass ceiling was shattered.

I would also like to thank you, Madam Speaker, for the many courtesies that you have shown me as a former Speaker of this House during the past year, including the opportunity to formally say good-bye to all of my colleagues here today.

I will get myself into trouble if I start singling out Members in these remarks. I owe so much to so many of you; for your friendship, for the many things you have taught me, and for your support during some very difficult days, such as the aftermath of 9/11 when I became a wartime Speaker.

But I would be remiss if I did not extend a heartfelt ''thank you'' to my colleagues and former colleagues in the Illinois congressional delegation and my freshman class of 1986. We have accomplished much working together.

I also want to thank my leader, the gentleman from Ohio (Mr. BOEHNER) and his fellow Republican leaders, who head a vibrant minority, the largest Republican minority since 1955, a minority that is demonstrating to the country that it should, and I think will, lead this House yet again some day.

I also want to thank the chairman of the Energy and Commerce Committee, the dean of this House, the gentleman from Michigan (Mr. DINGELL) who for four times administered to me the Oath of Office as Speaker. You, Chairman DINGELL, and our Republican leader on the committee, Mr. BARTON, welcomed me home to the committee. I have enjoyed working this past year as we have tried to tackle some of the most important issues that face our Nation, such as energy security, health care and telecommunications, and for that I thank both of you gentlemen.

More than 25 years ago when I entered politics, I never envisioned that this former teacher and wrestling coach from Kendall County, Illinois, would have the opportunity to lead the United States House of Representatives. It was you, the Members of this House, who gave me that opportunity longer than any other member of my party in history, and I am grateful to you.

Becoming Speaker was a very humbling experience, an opportunity that only 51 men and one woman have ever had since 1789. I suspect that sitting here in this Chamber are several men and women who will some day have the honor to be Speaker of this House. But whether that honor comes your way or not, you are already the trustee of one of the most wonderful jobs that anyone wanting to serve their country can have. You are a Member of the United States House of Representatives, entrusted by more than 700,000 people, citizens, to represent them.

Eleven times the voters of the 14th District of Illinois hired me as their representative. It has been a journey that we have traveled together, and every year brought new challenges. I am proud of so many of the things that I was able to work on over those years, working to make health care more affordable and accessible by creating tax-free Health Savings Accounts; delivering on long-awaited prescription drug coverage for seniors, while at the same time modernizing Medicare for the 21st century; passing two of the largest tax relief packages for working Americans in our Nation's history, which encouraged Americans to invest and small businesses to grow and to create new jobs; and reducing the unfair Social Security earnings limit on our senior citizens that needed to work.

Back home in Illinois, I was proud to work on environmental issues, like the removal of the dangerous thorium tailings from West Chicago, Illinois, and preserving the vital drinking water supply of the people of the Fox Valley.

But ultimately, the most important responsibility for any of us that serve this House is to provide for the defense of our Nation. It is our most solemn obligation.

On September 11, 2001, I became a wartime Speaker, and together we became a wartime Congress. On that dark day, our Congress was united. We were not Republicans or Democrats; we were just Americans. We stood shoulder to shoulder on the steps of this Capitol and vowed to do whatever was necessary.

In the following days and weeks and months, President Bush, Leader Gephardt and I worked together. We tried to bind the wounds of those victimized by the attacks, and then made sure that it would never happen again. We demanded that our intelligence agencies do a better job of sharing information. We gave law enforcement more effective tools and resources to guard